

1920



Fiscal Year 22 Budget Adjustments

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Overview

- Federal Funding Update
- Strategies for Developing FY 22 General Fund Budget
- FY22 Proposal Update
- Next Steps: Short term

Federal Funding Update

Maximize Federal Pandemic Relief Funds

- To the extent possible use CARES I funds in FY21
- Anticipate full use of CARES I in FY21; if any carryover will plan to use in FY22
- Use CARES II in FY22, available after July 1, 2021
- Any carryover from CARES II use in FY23
- American Rescue Plan (ARP) Act, available until September 30, 2023, would plan to use in FY23 and FY24

Strategies for Building a Budget

- Prioritize investments in Pathways PreK-12
- Maximize use of federal pandemic relief
- Maximize our restricted, committed & assigned fund balances
- Maintain unassigned fund balance

FY22 Initial Budget Adjustments

Right-size for enrollment (7,296); Maximize funding sources

Adjustment Category and Item Description	F.T.E.	Bargaining Unit or Dept.	Savings (Sal + Ben) *Estimates	Rationale and Implications
1. Right size enrollment (Maintaining class size)			\$1,000,000.00 Est. 2/25/2021 BOE mtg.	
Additional staff hired for COVID support	11-15 FTE's (reduction)	Teachers, Tech Support		Additional support for social distancing not required
School Staffing	10 - 20 FTE's (reduction)	Teachers, Educational Assistants	\$950,000-\$1,250,000	Projected 300 less students for fall 2021; maintains class size
2. Maximize Funding Source (changing funding source)			\$5,400,000.00	Funds expenses related to COVID-19 impact and requirements in MN Safe Learning Plan
ESSER I & II funds used for current expenditures	TBD	Elementary and Secondary	\$3,900,000.00	
ESSER I & II funds used for additional expenditures	7-10 FTE's for additional staffing	Elementary and Secondary	\$750,000.00	
ESSER I & II funds used for additional expenditures		PPE, Materials	\$750,000.00	

FY22 Initial Budget Adjustments

Initial list of adjustments /efficiencies

3. Carryover (Savings to FY 21 rollover to FY 22's additional funds)			\$1,693,788.00	
Clerical on leave	1.00	Clerical	\$63,688.00	General Leave
Consultant Services		Curriculum, Facilities, Superintendent, Asst Superintendent, Human Resources, Student Support	\$600,000.00	Decrease due to distance learning
Contingency		Elementary, Special Education	\$280,000.00	Decrease due to distance learning
Dues		Curriculum	\$10,000.00	
Election Savings		School Board	\$25,000.00	General Election costs bore by Counties
Equipment		Curriculum, Superintendent	\$49,100.00	
Fieldtrips		VPK, Curriculum	\$33,000.00	Decrease due to distance learning
Insurance Savings		Business	\$30,000.00	
Printing unused		VPK	\$2,000.00	Decrease due to distance learning
Substitute Costs		Elementary, Secondary, Special Education, Professional Development	\$460,000.00	Decrease due to distance learning
Supplies		VPK, Curriculum, Business	\$120,000.00	Decrease due to distance learning
Travel		Curriculum, School Board	\$21,000.00	Decrease due to distance learning
4. Misc. Reductions (if needed)				
District Level Staffing for district-wide support and services	DEC staff that provides district-wide services	Multiple bargaining units	\$50,000 - \$250,000	Principal reassignment and realignment, mandated work outsourced, decreased support for Prek-12 Pathways and grants management

FY22 Proposal Updated 3/17/2021

Initial Projected Deficit FY22 \$10.86 million

Addressed by

- Maintain class sizes (right-size for enrollment)* (\$1.25) million
- Use of Fund Balances (incl. carryover).....* (\$5.71) million
- Use of Federal Resources* (\$3.9) million

Net Deficit after applying strategies

\$0

*assumptions as of 3/17/2021

Right size enrollment (maintaining class size)

Estimated reductions to maintain class sizes	Teacher FTE s	EA FTE s	Total FTE s
Elementary	3	8	11
Secondary	10	1	11
Support Services	3	0	3
Total Full Time Employees	16	9	25

*assumptions as of 3/17/2021

FY21 Carryover Adjustments

3. Carryover (Savings to FY 21 rollover to FY 22's additional funds)			\$1,693,788.00	
Clerical on leave	1.00	Clerical	\$63,688.00	General Leave
Consultant Services		Curriculum, Facilities, Superintendent, Asst Superintendent, Human Resources, Student Support	\$600,000.00	Decrease due to distance learning
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Historical Use of Fund Balance

- Similar to 4 years ago, we planned an FY18 Adopted budget that showed a planned spend down of fund balance.
- The difference then was we had enough in fund balance to cover the planned deficit
- This time around we will need the use of the ESSER II funds effective July 1

General Fund Budget Comparative Summary

	Adjusted Revised Budget 2016-17	Actual Results 2016-17	Adopted Budget 2017-18
Total Beginning Fund Balance	\$ 21,629,697	\$ 21,629,697	\$ 20,049,406
Revenues	128,690,591	124,590,035	125,839,549
Federal Cares Revenues			
Expenditures	130,270,882	126,103,001	130,598,185
Federal Cares Expenditures			
Variance (Revenues - Expenditures)	(1,580,291)	(1,512,966)	(4,758,636)
Total Ending Fund Balance	\$ 20,049,406	\$ 20,116,731	\$ 15,290,770
Breakdown of Fund Balance Categories			
Nonspendable	\$ 508,867	\$ 328,969	\$ 508,867
Restricted	3,908,505	4,026,734	4,216,853
Committed	959,104	1,293,947	812,139
Assigned			
Unassigned	14,672,930	14,467,081	9,752,911
Total Ending Fund Balance	\$ 20,049,406	\$ 20,116,731	\$ 15,290,770
Unassigned Fund Balance %	11.26%	11.47%	7.47%

Recommended FY22 Use of Fund Balance and Federal ESSER II Funds

Recommended use of Fund Balance

- \$5.7 Million

Recommended use of Federal Funds

- ESSER II funds \$3,900,000

General Fund Budget Comparative Summary

	January Revised Budget 2020-21	April Revised Budget 2020-21	Projected 2021-22
Total Beginning Fund Balance	\$ 20,326,027	\$ 20,326,027	\$ 21,483,321
Revenues	129,516,287	129,516,287	122,445,071
Federal Cares Revenues	4,227,574	4,227,574	5,400,000
Expenditures	130,052,781	128,358,993	132,263,984
Federal Cares Expenditures	4,227,574	4,227,574	1,500,000
Variance (Revenues - Expenditures)	(536,494)	1,157,294	(5,918,913)
Total Ending Fund Balance	\$ 19,789,533	\$ 21,483,321	\$ 15,564,408
Breakdown of Fund Balance Categories			
Nonspendable	\$ 401,522	\$ 401,522	\$ 401,522
Restricted	7,348,102	7,348,102	6,048,102
Committed	1,818,986	968,986	1,018,986
Assigned	-	-	-
Unassigned	10,220,923	12,764,711	8,095,798
Total Ending Fund Balance	\$ 19,789,533	\$ 21,483,321	\$ 15,564,408
Unassigned Fund Balance %	7.61%	9.63%	6.05%
Increase in formula			-
Exp increase			3,936,045.85
Less Typical Federal			(681,843.00)
Adjustment for Right-size of Staff			(993,000.00)
Other Adjustments			(50,000.00)

Next Steps: Short term

Budget Input

- Board Guidance and Direction
- Online input at www.isd191.org/budget-input
 - What would you prioritize as the district works toward its mission?
 - What efficiencies should the district explore?
 - Shared with staff, families; remains open
 - 21 responses as of March 18

Next Steps: Short term

- March 25 Board Workshop - FY22 budget updates
- April 8 Board meeting - Human Resource (HR) present staffing resolutions for Board action
- April 22 revise the current budget to reflect Carryover to FY22
- June 10
 - Superintendent presents recommended budget
 - Board action to waive Policy 714
 - Board Assign/Commit fund balance for FY22 Adopted Budget deficit
- June 17 - Adopt FY22 Budget

THANK YOU

